

## **Minutes of the Wyoming School Facilities Commission Meeting**

UW Extension Service  
Casper, WY  
August 25, 2009

Chairman Gilpatrick called the meeting to order at 8:00 a.m.

*Commissioner Carrier made a motion to move into executive session. Commissioner Marsh seconded the motion. Motion passed unanimously.*

*An executive session was held from 8:00 a.m. to 9:00 a.m., followed by a twenty (20) minute recess.*

*Chairman Gilpatrick called the meeting back to order at 9:25 a.m.*

*Commissioner Marsh made a motion to reconvene the regular meeting. Commissioner Carrier seconded the motion. Motion passed unanimously.*

Present: Commissioner Algier, Commissioner Carrier, Chairman Gilpatrick, Commissioner Goodson, Commissioner McBride and Commissioner Marsh

### **Approval of Meeting Agenda**

Chairman Gilpatrick suggested that item number five (5) Financial - 2011-2012 Budget of the agenda be amended to reflect that it is an action item.

*Commissioner Marsh made a motion to approve the agenda as amended. Commissioner Carrier seconded the motion. Motion passed unanimously.*

### **Approval of Previous Meeting Minutes**

*Commissioner McBride made a motion for approval of the June meeting minutes. Commissioner Goodson seconded the motion. Motion was passed unanimously.*

### **Current Business**

### **Financial Report**

Merle Smith, Assistant Deputy Director of Administration and Finance, presented the SFC Capital Construction Financial Report as of June 31, 2009 and Consent List. Mr. Smith also presented the 2011-12 Biennium Budget request in the amount of \$299,324,277 for the Commission's approval.

***Commissioner Goodson made a motion to approve the 2011-12 Biennium Budget and present it as written to the Select Committee, Legislature, and the Governor. Commissioner Carrier seconded the motion.***

Commissioner Marsh stated it is important that in the future the budget should include a narrative of the major maintenance formula and a definition of “Unfunded Expectations” for the future biennium.

Commissioner Marsh attempted to clarify that for all projects, except Natrona, the unfunded expectation extending out into 2013-2014 were future phases of those projects. His understanding was that Natrona’s situation was different in that the entirety of the projects had been pushed out into 2013-2014. Director Daraie provided some clarification that Natrona was partially funded and phases could be completed in 2011-2012 with more comprehensive phases pushed into 2013-2014.

Commissioner Goodson noted that the unfunded expectations were not part of the budget he moved to approve – only the 2011/2012 figures. He went on to note that some narrative explanation of the difference between the 2011/2012 request and the 2013/2014 unfunded expectations was needed.

Commissioner McBride stated that at the current level the budget request, if approved, will definitely impact school operations in the 2010-2011 and 2011-2012 academic years and that he believes it is excessive.

Commissioner McBride stated that the discussion is larger than just the SFC. He noted that he has very good transparency into his own budget. The lack of revenue to support it in the out-years will have to be addressed and he suggested moving on with the vote rather than debate something over which the Commission will have no control.

***Commissioner Marsh called for the question. Motion passed with Commissioner McBride voting against.***

### **Adoption of Rules**

Donna Murray, Deputy Director of Administration & Finance, presented the proposed permanent Chapters 3, 6, and 8 of the School Facilities Commission Rules and Regulations to the Commission for approval.

Ms. Murray informed the Commission that the public comment period for the proposed rules ended August 10, 2009 and that no comments were received. Therefore, no changes were warranted.

*Commissioner Marsh moved the Commission adopt Chapters 3, 6, and 8 as presented to the Commission at the June 16, 2009 Commission meeting. Commissioner Carrier seconded the motion. Motion passed unanimously.*

### **Update on Audit**

Ms. Murray presented an update of the audit process.

### **Teton 1**

Kevin Thibeault, Facility Director for Teton County School District No. 1 presented the District's request for approval of an enhancement to install synthetic turf on its athletic facilities instead of natural turf at a cost of one million, three hundred two thousand, nine hundred eighty-seven dollars (\$1,302,987.00). The turf will be paid for with District funding through a special tax which was previously approved by voters in 2008.

*Commissioner Marsh moved the Commission approve the District's request for an enhancement to install synthetic turf, as summarized on their spreadsheet (contained in the meeting packet), subject to compliance with Chapter 3, Section 7 of the School Facilities Commission Rules and approval and execution of an MOU between the District and the Commission which is approved by State's Counsel as to form.*

*Commissioner Goodson seconded the motion.*

*Commissioner Marsh called for the question. Motion passed unanimously.*

*The meeting recessed for a fifteen (15) minute break at 10:45 a.m. and reconvened at 11:00 a.m.*

### **Sweetwater 1 (Rock Springs)**

David LaPlante, Project Manager for Design and Paul Grube, District Superintendent, presented a request for off-site infrastructure funding in an estimated amount of five hundred ten thousand, five hundred fifty-one thousand dollars (\$510,551.00) to construct six hundred (600) feet of Summit Drive.

Sweetwater County School District #1 has entered into an agreement with the United States Bureau of Land Management (BLM) for the purchase of 124 acres of land within the City of Rock Springs for new school construction. The land is undeveloped and will need roadways and infrastructure to access the property and to accommodate the utilities.

*Commissioner Carrier moved the Commission approve the request from Sweetwater County School District Number One to use an estimated five hundred ten thousand, five hundred fifty-one thousand dollars (\$510,551.00)) in infrastructure funds for the new 5-6 Elementary School in Rock Springs. Commissioner Marsh seconded the motion.*

Commissioner Goodson asked whether the street will be dedicated to the public once the school District receives the property and if there is an easement in place for the water line.

Michael O'Donnell, State's Counsel stated he has not seen an easement and asked if there was a verbal agreement with the BLM. Paul Grube, Superintendent stated the agreement was verbal.

Commissioner Marsh stated an MOU is needed because technically it would not be an easement.

Superintendent Grube stated that his understanding from the City and the BLM was once the infrastructure is installed that the City has the capability to maintain it.

*Motion passed unanimously.*

### **Sweetwater 1 (Rock Springs)**

Mr. LaPlante and Superintendent Grube presented a request for an enhancement to the new 5-6 elementary school that will be built on the old East Jr. High School site of an additional 8,000 square feet. The additional square footage would be added to the gymnasium and classrooms.

*Commissioner Marsh moved the Commission approve the District's request for an enhancement up to 10.9% of the amount of the architectural contract.*

**Director Daraie suggested to the Commission that the motion be subject to compliance with the Wyoming School Facilities Commission rules, Chapter 3, Section 7 and approval and execution of an MOU between the District and the Commission which is approved by State's Counsel as to form.**

*Commissioner Marsh accepted the suggestion and amended his motion accordingly. Commissioner Carrier seconded the amended motion.*

*Commissioner Carrier called for the question. Motion passed unanimously.*

### **Small Necessary Schools**

Director Daraie brought forward the issue of whether the state should continue to support small necessary school, which are primarily school houses with one or two rooms that exist in rural areas around the State of Wyoming.

Commissioner Carrier stated that to his knowledge the schools are fully funded and accredited through the State Department of Education. Commissioner McBride confirmed this understanding. Commissioner Carrier stated that as long as the State recognized them as accredited schools he did not believe the Commission had a any involvement other than to make sure that the schools were adequate and meeting standards. He further stated that it was a legislative call which may, or may not require a recommendation from the Commission.

Commissioner Goodson stated that there was a finite amount of money available in the state and it was his opinion that if the Commission felt bringing schools up to standard in the most cost effective approach required recommending a student attend another school the Commission should do so.

### **Natrona 1**

Joel Dvorak, Superintendent, Kathleen Dixon, Counsel, and Dennis Bay, Executive Director for Facilities and Technology Services presented a request for reconsideration (pursuant to W.S. §21-15-116(f)) of the denial of three major maintenance requests.

Superintendent Dvorak stated that he believed the District followed the process of executing their major maintenance requests and district facility plan and asked that the Commission approve the projects.

Director Daraie responded to the district's presentation by noting the district owns about 10% of the state's footprint of facilities, but carries approximately 15% of the state's burden of deferred maintenance. This fact indicates the district has large unmet major maintenance needs which also points to mismanagement and poor prioritization of major maintenance funding by the district in the past.

The Director also noted that in conversations, both prior to and during the district's facility planning meetings, the District was clear that it has major maintenance needs which exceed its current balance of major maintenance funds.

Ms. Dixon stated that she did not feel that Natrona County School District was careless with their monies. Ms. Dixon also stated that the district's Board of Trustees previously approved a list of major maintenance projects with \$500,000 set aside for enhancement maintenance in the district facilities plan. She claimed plan was approved by SFC and upon that approval, SFC presented the district with a new set of rules.

Ms. Dixon also stated the district felt that it abided by SFC's rules and expectations and executed the same with fidelity. The district does not have a problem with the rules changing but felt the Commission should not change the rules in the middle of the annual plan and allocation. The district feels it is unfair. Ms. Dixon requested that the Commission reconsider the district's major maintenance requests.

Commissioner Marsh stated that the Commission came with no bad intentions and was doing the best to follow the rules, and the Commission is trying to understand why the request was denied.

Chairman Gilpatrick inquired if the proposed expenses met the requirements in Chapter 6, Sections 8 and 9 of the Rules and Regulations and Guidelines that are currently in effect.

Commissioner Marsh stated the rules referenced by the district are past rules which would have been in place at the time of the request and that the rules Chairman Gilpatrick was referencing regarding the use of major maintenance funds on category 1 & 2 priorities are the current rules.

Ms. Dixon stated the current concern was that the district viewed the process as an annualized process which they completed and which SFC approved.

Commissioner Marsh referenced the proposed expenditures and asked if the district had all of its category 1 & 2 needs addressed.

Ms. Dixon stated that for the 2008-2009 Facility Plan the 1's & 2's were addressed and offered a copy of the list to the Commission.

Superintendent Dvorak asked whether or not the process was an annualized plan.

Ms. Dixon offered her view that the facility planning process is an annualized process and the district has, and continues, to present annualized major maintenance plans which address required major maintenance needs.

Mr. O'Donnell, stated that the annualized process the district referred to was foreign to the statutes and rules. The facility planning process is not an annualized process. The statutes contemplate an ongoing comprehensive facility planning process. Commission staff and the district have been engaged in an ongoing planning effort and the Commission would have formal plans before it to approve in September.

Mr. O'Donnell also stated that the ability of the agency to identify whether or not the district has fully satisfied all of its major maintenance needs before it uses 10% funds has been a maturing process. The staff is now much more able to identify major maintenance needs that exceed current funding. In such a situation, as here, it would be inappropriate to divert funds from major maintenance needs to fund enhancements.

Under the statutes and the rules, the Commission must undergo a two stage analysis: one, the Commission must make a determination that the other maintenance needs of the district have been satisfied; and, two, a formal Commission vote is required.

Mr. O'Donnell referenced the data before the Commission which had been presented by the district (and included in the Commissioner's meeting packet) which demonstrated in excess of Thirty-Two Million Dollars (\$32,000,000) worth of needed major maintenance work on just "Component 1 and 2" projects and something less than Fifteen Million Dollars (\$15,000,000) in the major maintenance account. Mr. O'Donnell argued that it is simply not possible to divert the money to an enhancement when there are those types of outstanding major maintenance needs that are now fully identified.

Chairman Gilpatrick thanked the district for its information and stated the Commission will see where it goes from here.

**Adjournment**

*Commissioner Goodson made a motion to adjourn the regular meeting at 12:38 p.m. Commissioner McBride seconded the motion. Motion passed unanimously.*